## Testimony of Thomas Embrescia, Chairman of Employ Media Before the U.S. House of Representatives, Committee on Energy and Commerce, Subcommittee on Communications and Technology Hearing on ICANN's Top-Level Domain Name Program Wednesday, December 14, 2011

Good morning Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee. I'm Tom Embrescia, Chairman of Employ Media LLC, the registry operator for the Top Level Domain JOBS. We are one of the "22" Top Level Domains – TLDs – under ICANN management often referred to in hearings on this topic. Unlike legacy TLDs, like .COM, .NET and .ORG, the .JOBS TLD is a more recent addition to the Internet. It was part of the 2004 expansion round held by ICANN. My company, Employ Media, has been pioneering TLD expansion in its role as the registry operator of the .JOBS TLD. I am speaking to you today from this perspective, as someone who has invested millions of dollars personally in the .JOBS enterprise, and as an interested party in the expansion round currently scheduled to begin January 12 of next year.

Employ Media LLC is headquartered in Cleveland, Ohio. As the Registry Operator to ICANN, our purpose is to allocate domain names using the JOBS TLD. Employ Media is a sponsored TLD, or sTLD, which means that it exists for the purpose of serving a defined community; ICANN delegates significant policy making authority to the Registry Operator to allocate domains in a manner that serves that community. Employ Media's Sponsoring Organization is the Society for Human Resource Management, also known as SHRM, and Employ Media is obligated to allocate domains consistent with policies set by SHRM. SHRM, in turn, is "the world's largest association devoted to human resource management." Its members are over 250,000 human resource professionals worldwide.

In my testimony today, I wish to make one critical point: TLD expansion to service the interest-specific needs of particular communities is a positive innovation and should be supported and encouraged. I have come to that conclusion based on my decades-long experience as a license operator in radio when FM began to compete with AM stations; in television when UHF began to compete with VHF in over-the-air broadcasting; later when cable began to compete with terrestrial television; and now on the Internet, as community-specific TLDs have begun to compete with generic, legacy TLDs. In each case, the opportunity to "super serve" a particular community was a spur to innovation and job creation, and I have every reason to believe that will continue to be the case.

I understand that there are many concerns regarding the procedure ICANN has put in place regarding the upcoming TLD expansion – intellectual property concerns, some lingering issues with the procedures that will apply to new TLD applications, questions regarding application fees and how ICANN will appropriate these funds – but I'm not going to address any of those issues. I'm here to affirm to this Committee that there is a demand from the private sector to gain entry to operate and compete in the TLD arena much like my company is doing now. I am of the firm belief that competition is what leads to innovation, drives business, creates jobs and provides opportunities heretofore unknown.

As one of the few pioneers of TLD expansion, and having worked closely with ICANN for over five years in almost every respect to bring a TLD to market, I believe that I am well positioned to advise this Subcommittee on the topic of the next round of TLD expansion. My views also are informed by my experience as a veteran FCC license holder in both radio and television serving markets large and small throughout the United States over the past four decades.

Let me share with you my vision of Top Level Domains, a vision I've held since before acquiring a TLD license, and one I believe is even more relevant today.

I hate to date myself, but I remember the time when AM licensed operators dominated radio here in the US. This is because the AM frequency was first to market on the one hand and the only frequency available to the general population on the other. It was this reality that rendered newly created FCC spectrum, called FM, of limited commercial value. Nonetheless, and as I can personally attest, entrepreneurial-minded people willing to take risk invested into the new spectrum. From there, we had to make a go of it, first by attracting an audience and then by attracting advertisers to this audience. And we had to do this in the face of a few dominant AM stations controlling significant market share, locally and nationally. Quite frankly, at the time, people said this could not be done. In fact, this situation was an opportunity for new operators to "super serve" an audience, what we call today "narrow casting". Whereas AM stations at the time were all things to all people, generally not specializing in anything specific, FM operators took on single-minded formats, such as Hard Rock, Country, and Soft Adult Contemporary, to appeal to particular audiences 24/7. And when users were provided these new choices in the market, we know today the result: overwhelming acceptance and approval.

As a young risk-taker at the time, I benefited financially from user adoption of narrow casting in radio that was made possible by the addition of FM frequency. With this success, my family, in the mid-1980s, turned our attention to another medium, television, where we saw the parallels of entrenched VHF networks, at the time ABC, NBC, and CBS, being all things to all people with the UHF frequency being primarily unused and having limited commercial value. This enabled us to enter the market less expensively, thus creating the opportunity for networks like FOX to flourish. What we saw was an opportunity, certainly not without risk, to narrow cast. We invested into owning independent FCC television licenses, super serving an audience. Cable operators saw the same opportunity to compete against terrestrial broadcast by narrow casting, thus the creation of networks like CNN, The Food Channel, HBO, MTV, and ESPN. We know today that ESPN is a more valuable brand than its partner ABC, something no one would have predicted, but made possible entirely by the creation of new spectrum. In addition to the benefits of narrow casting, users have seen the benefits of innovation in picture quality as compared with over-the-air television. The jobs that have been created, the commerce, the greater good for society in general, all are benefits impossible to measure, and all made possible through new spectrum.

Then along came the Internet, the new medium for people to reach content of interest to them. Early on, in the mid-1990s and prior to the creation of ICANN, the US Government was encouraging people to adopt this medium, including through a program that subsidized domain name registrations in

.COM, .NET and .ORG. It was in the late 1990s, with the Internet firmly on its way to being a household medium, that it was brought to my attention the US Government was looking to privatize the Domain Name System, and that at some point in the not-too-distant future there would be an opportunity for interested parties from the private sector to acquire and operate a TLD license like .COM or .ORG. By this time, the Government had created ICANN to carry out the privatization of the domain name system. We evaluated the business opportunity. We recognized .COM was becoming all things to all people. We saw "jobs" as an important category that could be super served, narrow casted, in the form of a TLD license on the Internet. When the opportunity presented itself in 2004, we applied for the TLD .JOBS, and upon rigorous evaluation, including examination of my background in other licensing arenas and financial wherewithal, we were successful.

From there, we knew the risk was not different than in my early days with radio and television of entering a market dominated by existing licensed operators.

We established JOBS to serve the needs of the international human resource management community, to super serve this market in a way that no other existing TLD does. Today, with not even 1% of the volume of registrations .COM has, millions of people regularly visit .JOBS web sites specifically for the purpose of using the Internet to locate the jobs employers have to offer. Moreover, we actively coordinated with our sponsoring organization to expand the variety of names that are available within our TLD to serve our community even better.

We have sought to achieve differentiation from market dominant TLDs in a number of ways. First, even though it is allowed, we've not allocated domain names in real time, as is the common industry practice under other TLDs. Instead, we've chosen to verify the identity of applicants prior to approving their applications. As a result, cybersquatting is near non-existent in JOBS with the benefit to trademark holders of not feeling the need to defensively register, a practice we do not encourage. In fact, to my knowledge there has not been a single formal trademark dispute as a result of a JOBS domain name registration. Second, we follow the policies of our Sponsoring Organization that, amongst other things, requires all registrants to agree to serve needs of the community as part of the registration agreement. As a result of these practices, we've gained trust in the market place as a responsible TLD operator, something we consider crucial towards gaining adoption by the very largest of employers. Today, prominent US and global employers – including AT&T, IBM, ExxonMobil, and InterContinental Hotels Group, to name a few – actively market their JOBS URL as the destination for job seekers to locate their jobs using the Internet. A more comprehensive depiction of what all is going on in JOBS has been submitted as an attachment to this testimony. My point is each TLD operator in its own way competes against the legacy, dominant TLDs, much like FM operators in an earlier generation competed against all-purpose AM stations.

As an existing TLD operator, I have lived through the fear that entrenched market players, primarily those most deeply invested in .COM, have shown towards new TLDs potentially disrupting their market position. I have seen how ICANN has had to deal with those motivated by protection rather than expansion. It would be easy for me to try to protect my position as one of only 22 TLDs.

However, I feel that ICANN should foster responsible innovation, competition and entrepreneurial spirit by expanding the number of TLDs.

In closing, let me emphasize one of the main insights I have derived from my own experience. Regardless of medium, history has shown there are substantial benefits to consumers and businesses alike when spectrum and bandwidth are expanded. As was true of radio and television, I have every reason to expect that the expansion of "channels" on the Internet – in the form of greater TLD variety – will respond to demand, and that this will be a major spur to innovation and job creation. I hope this Subcommittee will agree and lend its support to the ICANN model for TLD expansion.

## Thomas J. Embrescia

Thomas J. Embres da is a 40 year veteran of the terrestrial broadcast industry.

Mr. Embrescia spent most of his career owning and managing over 50 radio and television properties around the country including WMJI 105.7, WDOK 102.1, WQAL 104.1, 1100 WTAM, and 850 WKNR in Cleveland, Ohio. Other markets Tom has owned or been a partner in include Milwaukee, St. Louis, Indianapolis, Los Angeles and Chicago.

Tom's company Second Generation Television built and owned WUPW TV, the Fox Television affiliate in Toledo, Ohio, WTVK-TV 6, the WB affiliate in Fort Myers-Naples, Florida and KFXA, the FOX affiliate in Cedar Rapids, Iowa. They also managed KFXB the FOX affiliate in Dubuque, Iowa and KGAN, the CBS affiliate in Cedar Rapids

Tom was on the board of directors of ACME Communications, which is the owned and operated arm of the Warner Brothers Television Network, with TV stations in 5 markets. He is a partner in Media One Group owning radio stations in New York and surrounding communities. He is the majority owner of Butter Broadcasting with radio stations in Fayette ville, Ark and also owns some of the largest billboards in the State of Ohio.

Mr. Embrescia's investment arms, Second Generation Ltd. and X Gen Ltd., are owners and investors in many diverse businesses including marketing, Bio Medical, Teleradiology, manufacturing and internet, including the Top Level Domain JOBS.









